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5 Attorneys for Plaintiff Gregory A. Strasburg,
Individually and as Trustee of the Gregory A. Strasburg Revocable Trust dated 4/8/2003

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

10 GREGORY A. STRASBURG, Individually
11 and as Trustee of the GREGORY A.
12 STRASBURG REVOCABLE TRUST dated
13 4/8/2003
14 Plaintiff,
15 v.
16 *M/Y JUST A NOTION*, Official Number
17 1089525, her engines, tackle, furniture and
18 appurtenances, *in rem*; PETER BLAIR, *in*
19 *personam*; JIM SINGLETON, *in personam*;
and THE YACHT CLUB, LLC., a Nevada
Corporation
Defendants.)
CASE NO. 08 CV 0021 JLS (BLM)
IN ADMIRALTY
FIRST AMENDED COMPLAINT FOR
VESSEL ARREST AND DAMAGES
Federal Rules of Civil Procedure
Supplemental Rules for Certain
Admiralty and Maritime Claims,
Rules C and D

COMES NOW Plaintiff Gregory A. Strasburg, Individually and as Trustee of the Gregory A. Strasburg Revocable Trust dated 4/8/2003 (“Plaintiff”) and alleges:

JURISDICTION

23 1. This is a case of Admiralty and Maritime Jurisdiction as hereinafter more fully appears,
24 and is an admiralty or maritime claim within the meaning of Rule 9(h) of the Federal Rules of
25 Civil Procedure and Rule "D" of the Supplemental Rules for Certain Admiralty and Maritime
26 Claims, and jurisdiction is based on 28 U.S.C. section 1333(1), and as to state based claims on
27 supplemental jurisdiction under 28 U.S.C. section 1337(a). Plaintiff brings this action,
28 individually and as Trustee, in his capacity and as the owner of the *M/Y JUST A NOTION*.

PARTIES

2. Plaintiff is an individual and trustee of a Revocable Trust lawfully formed and in full force and effect at all relevant times. At all relevant times, Plaintiff has been the lawful registered Owner of the vessel which is the subject matter of this action and which is described below.

3. Defendant vessel, *M/Y JUST A NOTION* (the “Vessel”), is a 1999 self-propelled 70-foot motor yacht of fiberglass construction, federally documented by the U.S. Department of Homeland Security through the U.S. Coast Guard Official Number 1089525; she is now within the waters of the Southern District of California and within the jurisdiction of this Court.

4. Defendant Peter Blair is an individual who, upon information and belief, is a resident of California, County of San Diego.

5. Defendant The Yacht Club, LLC, based on information and belief, is a foreign (Nevada) corporation created at the direction of Peter Blair and is subject to Corporations Code Section 21151 with its principal place of business (the location of the Vessel) in San Diego County, California.

6. Defendant Jim Singleton is, based upon information and belief, an individual residing in San Diego, California.

ALLEGATIONS COMMON TO ALL COUNTS

7. Prior to May 2005, Defendant Peter Blair worked for Plaintiff performing boat maintenance on the subject Vessel. An extensive amount of work was performed over that time period and Defendant Blair was paid a great amount of money. After a considerable amount of work was completed and Blair was paid thousands of dollars, Plaintiff advised Defendant Blair that he was going to sell the Vessel. After learning of Plaintiff's intent to sell the Vessel, Defendant Blair approached Plaintiff with the proposition of having ownership of the Vessel transferred to Defendant The Yacht Club, LLC. The purpose of the transfer was, among other things, purportedly to enable the Vessel to be made available to be marketed and refurbished for multiple charters pursuant to fractional ownership agreements. Plaintiff knew nothing about the specifics that would be involved in actually having this proposal work. As a result, Plaintiff engaged the services of an attorney to advise him on the issues raised by Blair's proposal. A copy of the

1 attorney's legal opinion letter dated May 10, 2005 (obtained from Blair's former counsel) is
2 attached hereto as Exhibit "1" for the Court's convenience. The Court will note the opinions set
3 forth in Exhibit "1" clearly reveal that the proposal made by Blair to Plaintiff "would require an
4 enormous expenditure of money, and the outcome is uncertain at best, impossible at worst."
5 (Exhibit "1" Page 4.) Nevertheless, in or around February 2007, a Bill of Sale and other related
6 documents were executed by Plaintiff in reliance upon specific representations made by Peter Blair
7 more specifically set forth below. Despite the Bill of Sale and related documents, legal Title to the
8 Vessel was never legally transferred because of a transfer prohibition contained in the purchase
9 loan documentation between Plaintiff and the original Vessel purchase loan provider. Thus, title to
10 the Vessel has never legally transferred to The Yacht Club, LLC, or any other entity or individual.

11 8. After execution of the purported Bill of Sale and related documents, Defendant Peter Blair
12 took physical possession of the Vessel and had her berthed at Kona Kai Marina in San Diego,
13 California. As part of the agreement with Plaintiff, Peter Blair agreed to (among other things)
14 undertake marketing of the vessel so as to sell fractional ownerships pursuant to his representations
15 prior to execution of the Bill of Sale and related documents. In fact, Plaintiff believes no such
16 marketing was undertaken as promised.

17 9. Defendant Jim Singleton allegedly loaned money to and/or purchased shares of The Yacht
18 Club, LLC. The amount of money purportedly provided by Defendant Singleton is unknown.
19 Defendant Jim Singleton also claims he is now an “owner” of the Vessel.

20 10. As set forth more fully below, Plaintiff alleges Defendant Peter Blair fraudulently induced
21 him to enter into the agreement to transfer title of the vessel to Defendant The Yacht Club, Inc.
22 Plaintiff further alleges, Defendant Peter Blair has and continues to attempt to unlawfully take
23 possession and ownership of the Vessel under false pretenses. As a result, this action is brought.

FIRST CLAIM – PETITORY ACTION TO ESTABLISH TITLE

(Against Defendant Vessel)

Supplemental Admiralty Rules D and E(2)

27 11. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
28 through 10 as though fully set forth herein.

1 12. Plaintiff alone at all times has been the only legal holder of official title to the Vessel.

2 13. In or about February 2007, Plaintiff was induced into signing a Bill of Sale and other
3 related documents which attempted to put title of the Vessel into the name of The Yacht Club,
4 LLC. Due to restrictions contained in the purchase loan for the Vessel obtained by Plaintiff,
5 however, title was never transferred.

6 14. Since taking possession of the Vessel under false pretenses, Defendant Peter Blair has
7 represented to Plaintiff and others that he is an owner of the vessel.

8 15. To Plaintiff's knowledge, nothing has been done by Defendant Peter Blair to further the
9 agreement contemplated by the Bill of Sale and the related documents. Indeed, on information and
10 belief, Defendant Peter Blair has attempted to sell the vessel outright to unknown parties without
11 the consent of Plaintiff.

12 16. Recently, Plaintiff became aware that Peter Blair and others intended to take the vessel
13 from San Diego, CA, to Mexico without the knowledge or consent of Plaintiff. On December 20,
14 2007, Plaintiff and his counsel lawfully boarded the Vessel with the intent of taking it to Marina
15 del Rey in order to prevent the Vessel from being taken to Mexico. After boarding the Vessel, it
16 was discovered the keys to the Vessel were missing. Plaintiff then called Defendant Peter Blair by
17 telephone and advised him of his intention to take the vessel to Marina del Rey and asked for the
18 keys to the Vessel. Defendant Peter Blair refused to provide the keys. Instead, Defendant Peter
19 Blair called the San Diego Harbor Police and claimed Plaintiff was "stealing" the Vessel. The San
20 Diego Harbor Police were dispatched to the Vessel and Plaintiff and his counsel were questioned.
21 During this time, Defendant Jim Singleton arrived and represented he was also an owner of the
22 Vessel.

23 17. Due to the multiple conflicting and irreconcilable representations of Defendants and
24 Plaintiff claiming ownership in the Vessel, the San Diego Harbor Police instructed the Kona Kai
25 Marina not to allow the Vessel to be moved pending civil resolution. Thus, this action has been
26 filed so that lawful title and right to possession may be determined by this Court.

27 ///

28 ///

**SECOND CLAIM – Fraud By Intentional Misrepresentation of Fact
(Against Defendant Peter Blair Only)
[C.C. Section 1710(1)]**

18. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1 through 11 and 12 through 17 as though fully set forth herein.

6 19. After receiving Exhibit “1” referenced above Plaintiff expressed his concern to Defendant
7 Blair that his proposal did not seem feasible. In response, Blair orally represented to Plaintiff that
8 he would “Take care of everything” and “Don’t worry about what the lawyer said” and “I have
9 done this before and I know how to make it work” and “Everything will be fine”. In addition,
10 Blair stated “I already have investors that are interested in buying fractional shares”. On or about
11 January 18, 2006, Blair drafted an Operating Agreement for The Yacht Club, LLC. A true and
12 correct copy of the Operating Agreement is attached hereto as Exhibit “2”. In the Operating
13 agreement, Blair’s numerous obligations to Plaintiff and others are outlined. Notably, in
14 Paragraphs 6.1 through 6.4 Blair represents he will keep complete accounting records of the
15 company, file necessary tax returns, maintain financial statements of the company and provide
16 each Member access and/or copies to the financial records of the company. Plaintiff alleges Blair
17 did not comply with these requirements nor did he intend to do so. Plaintiff never received any of
18 the accounting records or tax returns of the company.

19 20. The above statements, both oral and written, were made by Blair in order to induce
20 Plaintiff to transfer ownership of his vessel to The Yacht Club, LLC. The above statements were
21 not true, and as outlined in Exhibit "1" could not have been true.

22 21. All of these representations were at the time Defendant Blair made them, false.

23 22. The true facts were that Defendant Blair attempted to dupe Plaintiff into transferring title
24 to the Vessel to the “shell” Nevada Corporation The Yacht Club, LLC, so that Defendant Blair
25 could then sell the Vessel with apparent authority and without the knowledge or consent of
26 Plaintiff.

27 23. Plaintiff, at the time these representations were made by Defendant Blair, and at the time
28 Plaintiff took the actions herein alleged, was ignorant of the falsity of defendant Blair's

1 representations and he reasonably believed them to be true. In reliance on these representations,
2 Plaintiff was induced to and did invest hundreds of thousands of dollars as well as the Vessel itself
3 which is valued in the millions. Had Plaintiff known the truth, he would not have entered into any
4 arrangement with Defendant Blair. Plaintiff's reliance on defendant's representations was justified
5 because Defendant represented to have extensive experience in the marketing and management of
6 timeshare vessels.

7 24. As a proximate result of the fraudulent conduct of Defendant Blair as herein alleged,
8 Plaintiff was induced to sign a Bill of Sale and other related documents purportedly transferring
9 ownership of the Vessel to Defendant The Yacht Club, LLC. As a result, Plaintiff has been
10 damaged in the sum yet to be determined, plus costs of suit, attorney fees, punitive and other
11 recoverable damages.

12 25. The aforementioned conduct of Defendant Blair included but was not limited to
13 intentional misrepresentations, deceit, and concealment of a material facts known to him with the
14 intention on the part of Defendant Blair of depriving Plaintiff of property or legal rights or
15 otherwise causing injury, and was despicable conduct that subjected Plaintiff to a cruel and unjust
16 hardship in conscious disregard of Plaintiff's rights, so as to justify an award of exemplary and
17 punitive damages, in addition damages in a sum to be determined.

THIRD CLAIM – Fraud By Negligent Misrepresentation of Fact

(Against Defendant Peter Blair Only)

[C.C. Section 1710(2)]

21 26. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
22 through 11 and 12 through 17 and 19 through 25 as though fully set forth herein.

23 27. When Defendant Blair made the above referenced representations, he had no reasonable
24 ground for believing them to be true in that he subsequently failed entirely to take any steps toward
25 fulfilling the promises made to Plaintiff.

26 28. Defendant made these representations with the intent to induce Plaintiff to act in reliance
27 on these representations in the manner hereinabove alleged, or with the expectation that Plaintiff
28 would so act.

1 29. As a result of such negligent misrepresentations, Plaintiff has been damaged in a sum
2 according to proof.

FOURTH CLAIM – Fraud By Suppression of Material Fact

(Against Defendant Peter Blair Only)

(C.C.P. Section 1710(3))

6 30. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
7 through 11 and 12 through 17 and 19 through 25 and 27 through 29 as though fully set forth
8 herein.

9 31. In and before February of 2007 Defendant Blair represented that he would form a
10 corporation to purchase the defendant Vessel, and that the Vessel would be utilized as a fractional
11 ownership property for the financial benefit of, among others, the Plaintiff.

12 32. The false representations and failures to disclose information and suppressions of
13 information herein alleged to have been made by Defendant Blair were made with the intent to
14 induce Plaintiff to act in the manner hereinabove alleged in reliance thereon. Plaintiff, at the time
15 these failures to disclose and suppressions of facts occurred, and at the time Plaintiff took the
16 actions herein alleged, was ignorant of the existence of the facts which defendant suppressed and
17 failed to disclose. If Plaintiff had been aware of the existence of the facts not disclosed by
18 defendant, Plaintiff would not have, as he did, agree to provide the Vessel or any monies toward
19 the purported venture involving The Yacht Club, LLC.

20 33. As a result of such fraud by way of suppression of material fact, Plaintiff has been
21 damaged in a sum according to proof.

FIFTH CLAIM – Fraud By Promise Without Intention to Perform

(Against Defendant Peter Blair Only)

(C.C. Section 1710(4))

25 34. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
26 through 11 and 12 through 17 and 19 through 25 and 27 through 29 and 31 through 33 as though
27 fully set forth herein.

28 35. In and before February of 2007, Defendant Blair promised that he would oversee the

1 marketing and management of defendant Vessel, and that there was no “downside” in his plan,
 2 when in fact Defendant Blair neither intended to perform on his promise of marketing or managing
 3 the Vessel for the benefit of Plaintiff. At the time defendant Blair made the promises to Plaintiff,
 4 defendant had no intention of performing it and was in fact financially incapable of performing.
 5 The promise was made by defendant with the intent to induce Plaintiff and perhaps others to loan
 6 hundreds of thousands of dollars to Defendant Blair and/or Defendant The Yacht Club, LLC for
 7 the ostensible and understood purpose of marketing and refurbishing the defendant Vessel, while
 8 Defendant Blair’s actual intent was to overstate the marketing refurbishment costs and divert
 9 monies earmarked for such marketing refurbishment for his own uses and purposes.

10 36. Plaintiff, at the time these promises were made and at the time Plaintiff took the actions
 11 herein alleged, was ignorant of Defendant Blair’s secret intention not to perform, and Plaintiff
 12 could not have in the exercise of reasonable diligence discovered defendant Blair’s secret
 13 intention. In reliance on the promises of Defendant Blair, Plaintiff attempted to transfer the Vessel
 14 and in fact transferred substantial funds for the purpose of marketing and refurbishment of the
 15 defendant Vessel. If Plaintiff had known of the actual intention of Defendant Blair, Plaintiff would
 16 not have taken such action. Defendant Blair has failed to perform on his promise to oversee the
 17 marketing and refurbishment of the Vessel, and to operate The Yacht Club, LLC in a lawful and
 18 responsible manner.

19 37. As a result of such fraud by way of promise without intention to perform, Plaintiff has
 20 been damaged in a sum according to proof.

21 **SIXTH CLAIM – BREACH OF FIDUCIARY DUTY**

22 **(Against Defendant BLAIR)**

23 38. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
 24 through 11 and 12 through 17 and 19 through 25 and 27 through 29 and 31 through 33 and 34
 25 through 37 as though fully set forth herein.

26 39. Defendant Blair is or at relevant times was an officer or director of The Yacht Club, LLC.
 27 Defendant Blair failed in and abrogated his fiduciary duties to, among other things: (a) maintain
 28 proper corporate records, including accountings of monies received for the benefit of the

1 company's sole asset; (b) failure to maintain the company in good and active status with the
2 Nevada Secretary of State; (c) failure to provide to shareholders (including Plaintiff) a reasonable,
3 accurate and legally proper accounting; (d) failure to maintain proper and legitimate bank
4 account(s) and associated records for the corporation; (e) conduct shareholder and director
5 meetings as required by statute and the Bylaws; (f) reasonably protect and preserve corporate
6 assets; (g) abstain from appropriation of monies intended for and rightfully belonging to the
7 corporation; and (h) abstain from diversion of monies that were properly corporate funds and
8 assets for personal use.

9 40. In acting as hereinabove described, Defendant Blair did not exercise the care required of
10 directors.

11 41. As a result of such breaches of fiduciary duties, Plaintiff has been damaged in a sum
12 according to proof.

SEVENTH CLAIM - CONVERSION

(Against All Defendants)

15 42. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
16 through 11 and 12 through 17 and 19 through 25 and 27 through 29 and 31 through 33 and 34
17 through 37 and 39 through 41 as though fully set forth herein.

18 43. In or before February 2007, Defendant Blair falsely and fraudulently represented to
19 Plaintiff: (a) that the Vessel would be managed and operated as a fractional ownership Vessel
20 through The Yacht Club, LLC. ; and, (b) that there was no risk because of his extensive
21 experience.

22 44. These representations were in fact false and defendant Blair knew of its falsity. The true
23 facts were: (1) that Defendant Blair was financially incapable of performing as promised; (2) that
24 he illegally encumbered the Vessel through a loan(s) from Defendant Singleton and possibly others
25 to pay for operating and slip costs; (3) that he diverted monies intended for reconstruction to his
26 own uses; and (4) that Defendant Blair intended to take the Vessel to Mexico without consent or
27 authority and/or sell the Vessel to a third-party; and (5) that Defendant Blair never kept Plaintiff
28 informed as to the status of The Yacht Club, LLC. or the Vessel.

1 45. Plaintiff justifiably relied on defendant's representations and was thereby induced to
2 assent by signing a Bill of Sale transferring title to the Vessel to The Yacht Club, Inc. and allowing
3 Defendant Blair to take physical possession of the Vessel.

4 46. Recently, Plaintiff became aware that Peter Blair intended to take the vessel from San
5 Diego, CA, to Mexico without consent. On December 20, 2007, Plaintiff and his counsel lawfully
6 boarded the Vessel with the intent of taking it to Marina del Rey in order to prevent the Vessel
7 from being taken to Mexico. After boarding the Vessel, it was discovered the keys to the Vessel
8 were missing. Plaintiff then called Defendant Peter Blair by telephone and advised him of his
9 intention to take the vessel to Marina del Rey and asked for the keys to the Vessel. Defendant
10 Peter Blair refused to provide the keys. Instead, Defendant Peter Blair called the San Diego
11 Harbor Police and claimed Plaintiff was “stealing” the Vessel. The San Diego Harbor Police were
12 dispatched to the Vessel and Plaintiff and his counsel were questioned.

13 47. Defendant Blair's acts alleged above were, on information and belief, willful, wanton,
14 malicious, and oppressive, were undertaken with the intent to defraud, and justify the awarding of
15 exemplary and punitive damages, additional to other damages in a minimum amount to be
16 determined according to proof.

17 48. Defendant Blair, and possibly others, on information and belief, conspired to, convert all
18 or a portion of Plaintiff's interest in the defendant Vessel by utilizing The Yacht Club, LLC as a
19 pass-through entity, all without the knowledge, authority or permission of Plaintiff.

**EIGHTH CLAIM - AGENT'S WRONGFUL APPROPRIATION
OF PROPERTY OF PRINCIPAL
(Against Defendant BLAIR)**

23 49. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
24 through 11 and 12 through 17 and 19 through 25 and 27 through 29 and 31 through 33 and 34
25 through 37 and 39 through 41 and 43 though 48 as though fully set forth herein.

26 50. Defendant Blair was and is an officer or director of Defendant The Yacht Club, LLC, and
27 he was legally subject to orders of said defendant corporation.

28 51. From the beginning of the formation of The Yacht Club, LLC, Defendant Blair, acting as

1 the agent of defendant The Yacht Club, LLC, for his own benefit and acting within the course and
2 scope of his authority from said defendant corporation, requested and received monies from
3 Plaintiff with the understanding the monies would be used to pay for vessel marketing and costs.

4 52. As a result of such wrongful appropriation of property of a principal, Plaintiff has been
5 damaged in a sum according to proof.

NINTH CLAIM - BREACH OF CONTRACT

(Against Defendant BLAIR)

8 53. Plaintiff incorporates by reference each and every allegation contained in Paragraphs 1
9 through 11 and 12 through 17 and 19 through 25 and 27 through 29 and 31 through 33 and 34
10 through 37 and 39 through 41 and 43 though 48 and 50 through 52 as though fully set forth herein.

11 54. Prior to February 2007, Defendant Blair offered: (1) to take all actions necessary to have
12 the Vessel fitted and marketed as a fractional ownership Vessel for the benefit of Plaintiff; (2) to
13 form defendant The Yacht Club, LLC for the purpose of owning and managing the Vessel and the
14 purpose of assuring the marketing and refurbishment work was accomplished in a businesslike and
15 competent manner, including the maintenance of all business records and documents necessary to
16 track and substantiate the monies utilized in the project.

55. Plaintiff accepted Defendant Blair's above offer.

18 56. Defendant Blair breached this agreement, among other ways, by: (1) failing in whole to
19 market the Vessel for purposes of fractional ownership; (2) failing to accomplish any of the goals
20 contemplated by the agreement concerning the Vessel and The Yacht Club, LLC; (3) attempting to
21 personally profit from the use/sale of the Vessel to the detriment of Plaintiff ; (4) attempting to
22 unlawfully take title to the Vessel from Plaintiff; and (5) providing incomplete, false and
23 misleading documents in an attempt to provide an “accounting,” so as to “explain” how Plaintiff’s
24 contribution to The Yacht Club, LLC was utilized.

25 57. As a direct and proximate result of said breaches, Plaintiff has been damaged in a sum or
26 sums according to proof.

PRAAYER

WHEREFORE, Plaintiff prays for Judgment as follows:

1 1. That process be issued against the defendant Vessel *in rem* and against all persons
2 having or claiming any interest in her, citing them to interpose their claims herein, and that
3 Plaintiff have judgment exonerating the Vessel of any and all such claims and of any liens which
4 might be claimed, and establishing the sole ownership of Plaintiff; and

5 2. That the Bill of Sale and related documents executed by Plaintiff in or before and after
6 February 2007 with regard to the Vessel and The Yacht Club LLC, be declared void *ab initio*
7 and/or *nunc pro tunc*; and

8 3. For damages in a sum of not less than \$250,000, according to proof; and

9 4. For interest at the legal rate on the foregoing sum pursuant to Section 3336 of the Civil
10 Code;

5. For the penalty prescribed by Corporations Code Section 2200; and

12 6. For damages for time and money properly expended in pursuit of converted property;
13 and

7. For costs of suit, including *custodia legis* expenses; and

15 | 8. For attorneys' fees; and

16 9. For punitive damages in a sum sufficient to deter and punish Defendant Blair for his
17 unlawful, reckless, fraudulent and otherwise outrageous conduct; and

11. For such other and further relief as the Court may deem just and proper.

RESPECTFULLY SUBMITTED this 16th day of September 2008.

ALCANTARA & ASSOCIATES, APC

s/ James W. Alcantara

JAMES W. ALCANTARA, ESQ.
Attorney for Plaintiff Gregory A. Strasburg,
Trustee of the Gregory A. Strasburg Revocable
Trust dated 4/8/2003